

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL PLUS 3 CONTRACTS (MC2016-152)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2017-259

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
MODIFICATION TWO TO A GLOBAL PLUS 3
NEGOTIATED SERVICE AGREEMENT**
(June 1, 2018)

In Order No. 4049, the Commission included the agreement that is the subject of this docket within the Global Plus 3 product,¹ conditionally approving Modification One, which the Postal Service subsequently filed in this docket.² Attached to this notice is Modification Two to the agreement that is the subject of this docket. The modification revises Article 8 and Annex 2 of the agreement.

A redacted copy of Modification Two and a redacted version of the certified statement required by 39 C.F.R. § 3015.5(c)(2) are included with this filing, as Attachments 1 and 2 respectively. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

The Postal Service will establish the effective date of Modification Two once the Commission completes its review.

¹ Order No. 4049, Order Approving Additional Global Plus 3 Negotiated Service Agreement and Conditionally Approving Modification, Docket No. CP2017-259, August 17, 2017.

² Notice of the United States Postal Service of Filing Modification in Response to Order No. 4049, Docket No. CP2017-259, August 24, 2017.

With respect to the nonpublic version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service hereby incorporates its Application for Non-Public Treatment filed in conjunction with the Postal Service's August 4, 2017 notice in this docket.³ The application protects from disclosure the information that has been redacted from the materials that the Postal Service is filing publicly today with this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 1, 2018

³ Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2017-259, August 4, 2017, Attachment 4.

**MODIFICATION TWO TO THE
GLOBAL PLUS SERVICE AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Contractholder"), with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Contractholder on August 1, 2017, and by the USPS on August 1, 2017, and as amended by Modification One signed by the Contractholder and by the USPS on August 24, 2017. The Contractholder and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make the following two changes to the Agreement.

Article 8 Postage Prices when Contractholder acts as Mailer shall now read as follows:

8. Postage Prices when Contractholder acts as Mailer In consideration of Article 7 Paragraph 1: (1) For PMEI and PMI, the Mailer will pay postage according to the price charts in Annex 1. (2) For CeP, the Mailer will pay postage according to the price charts in Annex 2. (3) For IPA and ISAL, (a) The Mailer will receive, in accordance with the discount chart in Annex 3, a percentage discount off of the non-discounted published IPA and ISAL prices in effect on the date of mailing. (b) [REDACTED]

(c) [REDACTED]

Annex 2 shall now be replaced with the Annex 2 attached to this Modification.

All other terms and conditions of the Agreement shall remain in force.

The USPS will notify the Contractholder of the Effective Date of this Modification as soon as possible within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from one or more internal and external bodies that have oversight responsibilities ("Conditions Precedent"). Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Contractholder prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Contractholder acknowledges that this Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2017-259). The Contractholder authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Contractholder further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in

connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which this Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which "201#" signifies the USPS fiscal year to which the ACR pertains. The Contractholder has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found in section 3007 of the regulations concerning the Commission in Title 39 of the Code of Federal Regulations.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature:



Name:

Donald W Ross

Title:

Director International Sales

Date

5-17-2018

ON BEHALF OF

Signature:

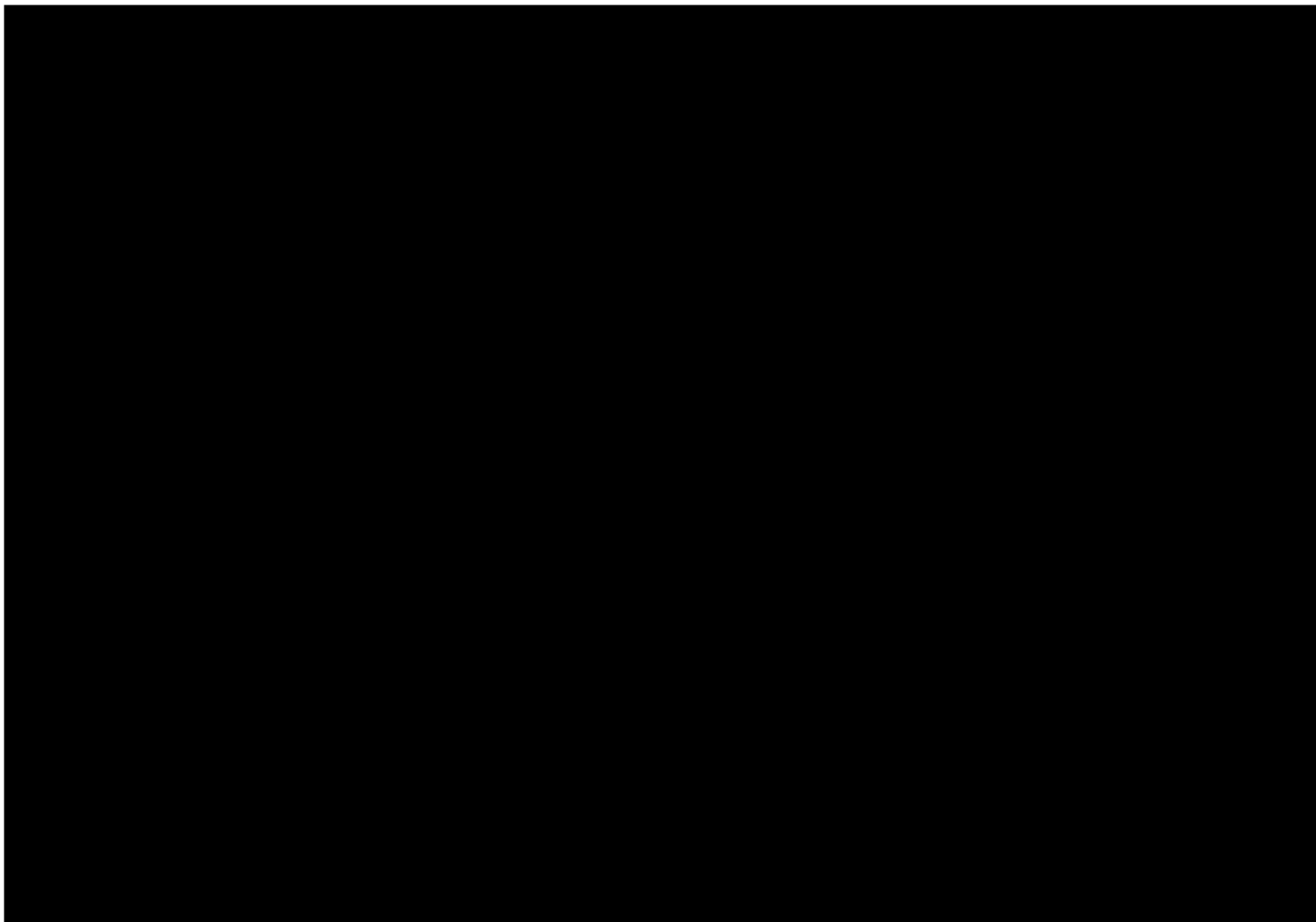
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**ANNEX 2
PRICES IN UNITED STATES DOLLARS FOR
CONTRACTHOLDER AS "MAILER" FOR
COMMERCIAL EPACKET SERVICE**



CeP (c) / 04 18

CONFIDENTIAL

USPS / [REDACTED] 04/2018

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Certification of Prices for the Modification of Global Plus Contract with
[REDACTED]

I, Steven Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Modification of the Global Plus Contract with [REDACTED]. The prices contained in this contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued on March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] Contract Modification are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage in excess of the minimum required by the Governors' Decision, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Plus Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven Phelps

Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing and
Costing, ou=Pricing,
email=steven.r.phelps@usps.gov, c=US
Date: 2018.06.01 09:41:59 -04'00'

Steven Phelps